

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE BENNY JONES)	
WATER SUPPLY FOR A RATE ADJUSTMENT)	
PURSUANT TO THE ALTERNATIVE RATE)	CASE NO. 92-339
FILING PROCEDURE FOR SMALL UTILITIES)	

O R D E R

On August 17, 1992, Benny Jones Water Supply ("Benny Jones") filed its application for Commission approval of a proposed increase in its rates for water service. Benny Jones' proposed rates for water service would generate additional annual revenues of \$4,020, an increase of 71.8 percent.

In addition, Benny Jones proposed to establish rates for the following non-recurring charges: late payment penalty of 10 percent, reconnection and disconnection charges of \$20 each, and a returned check charge of \$20.

Due to the request of Benny Jones for Staff assistance, prior to the filing of this application, Staff conducted a field review of Benny Jones' test-period financial records. Based upon this review, Commission Staff issued its report on November 20, 1992, recommending an increase of \$3,279 in Benny Jones' annual operating revenues for water service.

By Order dated November 20, 1992, the Commission advised Benny Jones that comments on the Staff Report or requests for a public hearing or informal conference must be submitted no later than December 7, 1992, or this case would stand submitted to the

Commission for decision. On December 7, 1992, Benny Jones filed comments on the Staff Report. Benny Jones stated that Sharon Roe is not the daughter of the owner of Benny Jones and that their office is in Dayton, Ohio because Sharon Roe does the work for no compensation which keeps expenses low. The Commission agrees with Staff that since the decision to locate Benny Jones' office in Dayton, Ohio, was a management decision, the ratepayers should not bear any costs associated with that decision. The Commission, having considered Benny Jones' comments, believes that they offer no additional evidence which would affect the recommendations contained in the Staff Report. No requests for a hearing or informal conference were received by the Commission.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, which is attached hereto and incorporated herein, are the fair, just, and reasonable rates for Benny Jones and will produce gross annual revenues of \$8,879 for water service based on adjusted test-year sales. These rates will allow Benny Jones sufficient revenues to meet its operating expenses, and provide for future equity growth.

3. The rates proposed by Benny Jones would produce an increase in revenue found unreasonable herein and should be denied upon application of KRS 278.030.

4. Based upon cost justification filed by Benny Jones, the proposed non-recurring charges in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Benny Jones in its application are hereby denied.


2. The rates in Appendix A are approved for services rendered by Benny Jones on and after the date of this Order.

3. Within 30 days of the date of this Order, Benny Jones shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of December, 1992.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-339 DATED December 28, 1992.

The following rates and charges are prescribed for the customers in the area served by Benny Jones Water Supply Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Classification of Service</u>	<u>Annual Rate</u>
Individual	\$ 198.20
Marina	951.00
<u>Non-Recurring Charges</u>	
Reconnect Fee	\$ 20.00
Disconnect Fee	20.00
Late Payment Penalty	10 percent
Returned Check Charge	20.00